

FRANCES BAARD

DISTRICT MUNICIPALITY



[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2016

FRANCES BAARD DISTRICT MUNICIPALITY

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FRANCES BAARD DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

GENERAL INFORMATION

NATURE OF BUSINESS

Frances Baard Municipality is a district municipality performing the functions as set out in the Constitution. (Act no 108 of 1996)

GRADING

Grade 2

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category C Municipality (District Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Frances Baard Municipality includes the following areas:

<i>Sol Plaatje</i>	<i>Grade 4</i>
<i>Phokwane</i>	<i>Grade 2</i>
<i>Dikgatlong</i>	<i>Grade 2</i>
<i>Magareng</i>	<i>Grade 2</i>

MANAGEMENT STRUCTURE

The municipality's senior management structure consists of the Municipal Manager and heads of the four main departments. The Office of the Municipal Manager includes management functions pertaining to municipal systems improvement and integrated development planning functions.

MUNICIPAL MANAGER

Ms. ZM Bogatsu

ACTING CHIEF FINANCIAL OFFICER

Ms. O Moseki

OTHER HEADS OF DEPARTMENTS

Vacant	Director: Administration
Mr. FS Mdee	Director: Planning & Development
Mr. PJ van Der Walt	Director: Infrastructure Services

REGISTERED OFFICE

*51 Drakensberg Avenue
Carters Glen
Kimberley*

AUDITORS

External Auditors

*Auditor General
Private Bag X5013
Kimberley
Telephone number 053 8380911
Fax number 053 8611538
Email frances.baard@fbdm.co.za*

Internal Audit

The Internal Audit section is fully staffed and operational as per the municipal policy. The use of external service providers is limited to cases where internal capacity is insufficient to conduct specialized investigations.

Members of the Audit Committee

Mr. WMS Calitz	Chairperson
Mr. GR Botha	Member
Mr. T Mogoli	Member

FRANCES BAARD DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

PRINCIPAL BANKER

Standard Bank
Cnr of Bultfontein & Lennox Street
Po Box 626
Kimberley
8300

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no. 56 of 2003)
Division of Revenue Act
The Income Tax Act (Act no. 58 of 1962)
Value Added Tax Act (Act no. 89 of 1991)
Municipal Structures Act (Act no. 117 of 1998)
Municipal Systems Act (Act no. 32 of 2000)
Municipal Planning and Performance Management Regulations
Housing Act (Act no. 107 of 1997)
Skills Development Levies Act (Act no. 9 of 1999)
Employment Equity Act (Act no. 55 of 1998)
Unemployment Insurance Act (Act no. 30 of 1966)
Basic Conditions of Employment Act (Act no. 75 of 1997)
Supply Chain Management Regulations, 2005
Disaster Management Act of 2016
National Health Act of 2003
Spatial Planning and Land Use Management Act 16 of 2013

MEMBERS OF THE FRANCES BAARD DISTRICT MUNICIPALITY

COUNCILLORS

Executive Mayor	Ms. MM Moloi	Proportional	1
Speaker	Mr. BM Maribe	Proportional	1
Mayoral Committee	Ms. MM Moloi	Proportional	
Mayoral Committee	Mr. W Johnson	Proportional	1
Mayoral Committee	Ms. PR Molefi	Proportional	1
Mayoral Committee	Ms. T Nicholas	Proportional	1
Mayoral Committee	Mr. K Rifles	Dikgatlong Municipality	1
Mayoral Committee	Mr. MB Silingile	Proportional	1
MPAC Chairperson	Ms. B.V. Ximba	Magareng Municipality	1
Part Time Councillor	Ms. EK Hale	Sol Plaatje Municipality	1
Part Time Councillor	Mr. JZ Mpampi	Sol Plaatje Municipality	1
Part Time Councillor	Ms. A. Boqo	Sol Plaatje Municipality	1
Part Time Councillor	Mr. L. Steyn	Sol Plaatje Municipality	1
Part Time Councillor	Mr. B Springbok	Sol Plaatje Municipality	1
Part Time Councillor	Ms. ET Tsimakwane	Sol Plaatje Municipality	1
Part Time Councillor	Mr. OC Fourie	Sol Plaatje Municipality	1
Part Time Councillor	Mr. PJ Vorster	Sol Plaatje Municipality	1
Part Time Councillor	Mr. DJP v d Merwe	Sol Plaatje Municipality	1
Part Time Councillor	Mr. G. Koopman	Sol Plaatje Municipality	1
Part Time Councillor	Ms. KG Mthukwane	Sol Plaatje Municipality	1
Part Time Councillor	Ms. S Witkoei	Dikgatlong Municipality	1
Part Time Councillor	Mr. CJS Adams	Phokwane Municipality	1
Part Time Councillor	Ms. AO Moremong	Phokwane Municipality	1
Part Time Councillor	Mr. P. Nel	Phokwane Municipality	1
Part Time Councillor	Mr. M Kaars	Proportional	1
Part Time Councillor	Ms. GR Kok	Proportional	1
Part Time Councillor	Mr. MI Pholoholo	Proportional	1
Part Time Councillor	Mr. J Smit	Proportional	1

FRANCES BAARD DISTRICT MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2016, which are set out on pages 1 to 83 in terms of section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the municipality. The annual financial statements have been fairly prepared in accordance with Generally Recognised Accounting Practice.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the municipality's cash flow forecast for the year to 30 June 2017 and am satisfied that the municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Ms. ZM Bogatsu
Municipal Manager

31-Aug-16
Date

FRANCES BAARD DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016

	Notes	2016 R (Actual)	2015 R (Restated)
NET ASSETS AND LIABILITIES			
Net Assets		83 757 120	95 267 411
Net Assets and Reserves	1	83 757 120	95 267 411
Non-Current Liabilities		32 374 632	33 379 360
Long-term Liabilities	2	4 660 722	6 698 727
Employee benefits	3	27 713 911	26 680 633
Current Liabilities		22 960 946	22 578 680
Payables from exchange transactions	6	8 458 171	10 535 373
Current Portion of Long-term Liabilities	2	1 988 393	1 734 990
Unspent Conditional Government Grants and Receipts	7	3 073 659	1 177 558
Current Employee benefits	5	9 440 722	9 130 759
Total Net Assets and Liabilities		139 092 698	151 225 451
ASSETS			
Non-Current Assets		56 066 740	48 809 149
Long-Term Receivables	14	8 598 000	9 475 393
Property, Plant and Equipment	10	46 096 870	37 812 162
Intangible Assets	11	740 454	890 178
Heritage Assets	12	631 417	631 417
Current Assets		83 025 958	102 416 302
Cash and Cash Equivalents	18	69 275 054	87 482 573
Current Investments	13	5 550 000	5 250 000
Receivables from non-exchange transactions	16	1 757 951	1 531 082
Taxes	9	5 393 830	6 862 911
Operating Lease Asset	17	5 000	2 754
Current Portion of Long-term Receivables	14	741 000	963 324
Inventory	15	303 121	323 658
Total Assets		139 092 698	151 225 451
<i>Balance</i>		-	-

FRANCES BAARD DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 (Actual) R	2015 (Restated) R
REVENUE			
Revenue from Non-exchange Transactions		110 413 264	102 394 822
Transfer Revenue		110 413 264	102 394 822
Government Grants and Subsidies	19	110 413 264	102 379 822
Public Contributions and Donations	20	-	15 000
Revenue from Exchange Transactions		10 644 834	8 006 697
Rental of Facilities and Equipment		643 770	971 687
Interest Earned - external investments / current account		7 866 135	6 882 359
Other Income	21	2 134 929	152 651
Total Revenue		121 058 098	110 401 519
EXPENDITURE			
Employee related costs	22	52 743 677	47 112 666
Remuneration of Councillors	23	5 987 653	5 690 954
Depreciation and Amortisation	25	3 960 969	3 769 090
Repairs and Maintenance		3 520 611	3 254 275
Actuarial losses		965 593	1 210 719
Finance Charges - External Funding	27.1	884 112	1 052 381
Finance Charges - Employee benefits	27.2	1 513 138	1 328 389
Grants and Subsidies	28	54 621 447	37 275 977
General Expenses	29	13 141 331	12 063 939
Loss on disposal of Property, Plant and Equipment		216 455	110 505
Total Expenditure		137 554 987	112 868 896
NET SURPLUS (DEFICIT) FOR THE YEAR		(16 496 889)	(2 467 377)

FRANCES BAARD DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2016

	Revaluations Reserve	Capital Replacement Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
Balance at 1 JULY 2014	15 323 973	8 182 081	73 425 979	96 932 033
Correction of error Note 30	498 094	-	301 906	800 000.00
Restated Balance at 1 JULY 2014	15 822 067	8 182 081	73 727 885	97 732 033
Net Deficit for the year	-	-	(2 467 377)	(2 467 377)
Transfer to Capital Replacement Reserve	-	3 129 360	(3 129 360)	-
Property, plant and equipment purchased	-	(2 124 642)	2 124 642	-
Offsetting of depreciation	(207 412)	-	207 412	-
Correction of error Note 30	(45 283)	-	48 037	2 754
Balance at 30 JUNE 2015	15 569 372	9 186 800	70 511 239	95 267 411
Net Deficit for the year	-	-	(16 496 889)	(16 496 889)
Revaluation of Land & Buildings	4 986 599	-	-	4 986 599
Transfer to Capital Replacement Reserve	-	11 677 000	(11 677 000)	-
Property, plant and equipment purchased	-	(5 582 005)	5 582 005	-
Offsetting of depreciation	(252 695)	-	252 695	-
Balance at 30 JUNE 2016	20 303 275	15 281 795	48 172 050.06	83 757 120

FRANCES BAARD DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

		30 JUNE 2016	30 JUNE 2015
		Actual	Restated
	Notes	R	R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		2 291 944	39 196
Government		112 569 249	103 405 099
Interest		7 866 135	6 882 359
Payments			
Suppliers and employees		(78 891 440)	(67 915 919)
Finance charges	27	(884 112)	(1 052 381)
Transfers and Grants		(54 621 447)	(37 275 977)
Net cash flow from operating activities	31	(11 669 670)	4 082 377
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	10	(5 505 354)	(1 872 187)
Proceeds on Disposal of Fixed Assets		-	9 605
Purchase of Intangible Assets		(76 651)	(252 455)
Increase in Long-term Receivables	14	1 099 717	37 828
Decrease/(Increase) in Current Investments	13	(300 000)	(850 000)
Net Cash flow from Investing activities		(4 782 288)	(2 927 208)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(1 784 602)	(1 606 934)
Net Cash flow from financing activities		(1 784 602)	(1 606 934)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(18 236 560)	(451 765)
Cash and Cash Equivalents at the beginning of the year		87 482 573	87 934 339
Cash and Cash Equivalents at the end of the year	32	69 275 054	87 482 573
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(18 207 519)	(451 766)

FRANCES BAARD DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)	Explanations for material variances
ASSETS				
Current assets				
Cash	3 275 054	2 965 533	309 522	Variance due to savings on salaries, allowances and capital expenditure.
Call investment deposits	66 000 000	57 427 000	8 573 000	Variance due to savings on salaries, allowances and capital expenditure.
Other Receivables	7 151 781	2 000 000	5 151 781	Late payment of VAT by SARS
Current portion of long-term receivables	741 000	900 000	(159 000)	Overbudget due to uncertainty of actual figures
Inventory	303 121	300 000	3 121	-
Operating Lease Asset	5 000	-	5 000	Refer to note 30.
Total current assets	77 470 957	63 592 533	13 878 424	
Non current assets				
Long-term receivables	8 598 000	8 678 501	(80 501)	Variance due to decrease in number of members. Disclosed under budget as cash & cash equivalents in annual budget
Investments	5 550 000	-	5 550 000	Revaluation of land and buildings realised during the financial year
Property, plant and equipment	46 096 870	38 333 394	7 763 475	
Intangible Assets	740 454	442 517	297 937	Budgeted amount understated
Heritage Assets	631 417	-	631 417	-
Total non current assets	61 616 740	47 454 412	14 162 328	
TOTAL ASSETS	139 087 697	111 046 945	28 040 752	
LIABILITIES				
Current liabilities				
Bank overdraft	-	-	-	
Borrowing	1 988 393	1 694 000	294 393	Current portion not adjusted in annual budget
Trade and other payables	11 531 830	7 000 000	4 531 830	Projects not started on time resulted in increases in payables
Provisions and Employee Benefits	9 440 722	8 000 000	1 440 722	Underbudget due to unavailability of post service benefits when compiling the budget.
Total current liabilities	22 960 946	16 694 000	6 266 946	
Non current liabilities				
Borrowing	4 660 722	6 649 450	(1 988 728)	Current portion not included in budgeted figure
Provisions and Employee Benefits	27 713 911	22 000 000	5 713 911	Underbudget due to unavailability of post service benefits when compiling the budget.
Total non current liabilities	32 374 632	28 649 450	3 725 182	
TOTAL LIABILITIES	55 335 578	45 343 450	9 992 128	
NET ASSETS	55 335 578	45 343 450	9 992 128	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	83 757 120	41 400 134	42 356 986	Actual expenditure less than budgeted amounts
Reserves	-	24 303 361	(24 303 361)	Increase in revaluation reserve due to revaluation. Capital expenditure not realised.
TOTAL COMMUNITY WEALTH/EQUITY	83 757 120	65 703 495	18 053 626	

FRANCES BAARD DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016

ADJUSTMENTS TO APPROVED BUDGET

	2016 R (Approved Budget)	2016 R (Adjustments)	2016 R (Final Budget)	Explanations for material adjustments
ASSETS				
Current assets				
Cash	2 142 929	822 604	2 965 533	Adjustment to actual audited figures for 2016
Call investment deposits	59 600 000	(2 173 000)	57 427 000	Adjustment to actual audited figures for 2016
Other Receivables	2 000 000	-	2 000 000	
Current portion of long-term receivables	900 000	-	900 000	
Inventory	300 000	-	300 000	
Total current assets	64 942 929	(1 350 396)	63 592 533	
Non current assets				
Long-term receivables	8 678 501	-	8 678 501	
Property, plant and equipment	46 098 354	(7 764 960)	38 333 394	Decrease in capital budget in disaster management
Intangible Assets	442 517	-	442 517	-
Heritage Assets	-	-	-	
Total non current assets	55 219 372	(7 764 960)	47 454 412	
TOTAL ASSETS	120 162 301	(9 115 356)	111 046 945	
LIABILITIES				
Current liabilities				
Borrowing	1 694 000	-	1 694 000	-
Trade and other payables	7 000 000	-	7 000 000	-
Provisions and Employee Benefits	8 000 000	-	8 000 000	-
Total current liabilities	16 694 000	-	16 694 000	
Non current liabilities				
Borrowing	6 649 450	-	6 649 450	-
Provisions and Employee Benefits	22 000 000	-	22 000 000	-
Total non current liabilities	28 649 450	-	28 649 450	
TOTAL LIABILITIES	45 343 450	-	45 343 450	
NET ASSETS	74 818 851	(9 115 356)	65 703 495	
COMMUNITY WEALTH				
Accumulated Surplus/(Deficit)	48 468 795	(7 068 661)	41 400 134	Adjustment based on previous year performance
Reserves	26 350 056	(2 046 695)	24 303 361	Provision for current year contributions
TOTAL COMMUNITY WEALTH/EQUITY	74 818 851	(9 115 356)	65 703 495	

FRANCES BAARD DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016
COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)	Explanations for material variances
REVENUE BY SOURCE				
Rental of facilities and equipment	643 770	1 072 000	(428 230)	Variance due to decrease in usage of the grader
Interest earned - external investments	7 866 135	5 843 350	2 022 785	Based on actual performance of investments
Government Grants and Subsidies - Operating	110 413 264	112 934 646	(2 521 382)	All projects was not completer before year end
Other revenue	2 134 929	4 552 800	(2 417 871)	Based on actual performance
Gains on disposal of PPE	-	60 000	(60 000)	Based on actual performance
Total Operating Revenue	121 058 098	124 462 796	(3 404 698)	
EXPENDITURE BY TYPE				
Employee related costs	52 743 677	57 549 150	(4 805 473)	Underspending due to vacant positions not filled accordingly
Remuneration of councillors	5 987 653	6 336 840	(349 187)	Budgeted amounts more than the cazeted amounts
Debt impairment	-	3 000	(3 000)	-
Depreciation & asset impairment	3 960 969	5 615 000	(1 654 031)	Decreased capital expenditure
Finance Charges - External Funding	884 112	764 000	120 112	-
Finance Charges - Employee benefits	1 513 138	2 290 000	(776 862)	Lower interest and actuarial losses
Other materials	3 520 611	4 694 686	(1 174 075)	Decrease in actual needs in relation to maintenance cost.
Grants and subsidies paid	54 621 447	66 320 906	(11 699 459)	Under performance with regards to budget estimates and roll overs
Other expenditure	14 106 924	20 906 402	(6 799 478)	Savings on budgeted estimates.
Loss on disposal of PPE	216 455	210 000	6 455	Under budgeted estimates
Total Operating Expenditure	137 554 987	164 689 984	(27 134 997)	
Operating Deficit for the year	(16 496 889)	(40 227 188)	23 730 299	
Net Deficit for the year	(16 496 889)	(40 227 188)	23 730 299	

FRANCES BAARD DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016

ADJUSTMENTS TO APPROVED BUDGET

	2016 R (Approved Budget)	2016 R (Adjustments)	2016 R (Final Budget)	Reasons for material adjustments
REVENUE BY SOURCE				
Rental of facilities and equipment	1 072 000	-	1 072 000	
Interest earned - external investments	5 443 350	400 000	5 843 350	Not budgeted for in the approved budget. Additional revenue generated.
Government Grants and Subsidies - Operating	106 509 000	6 425 646	112 934 646	
Other revenue	4 052 800	500 000	4 552 800	Un - gazetted grants not budgeted for Adjustment as result Actuarial losses realised
Gains on disposal of PPE	60 000	-	60 000	Adjustment based on actual receipt
Total Operating Revenue	<u>117 137 150</u>	<u>7 325 646</u>	<u>124 462 796</u>	
EXPENDITURE BY TYPE				
Employee related costs	57 549 150	-	57 549 150	-
Remuneration of councillors	6 336 840	-	6 336 840	-
Debt impairment	3 000	-	3 000	-
Depreciation & asset impairment	5 615 000	-	5 615 000	-
Finance charges	3 054 000	-	3 054 000	-
Bulk purchases	-	-	-	
Other materials	3 955 716	738 970	4 694 686	Based on actual needs
Contracted services	-	-	-	
Grants and subsidies paid	56 991 970	9 328 936	66 320 906	Un - gazetted grants not budgeted for
Other expenditure	21 386 232	(479 830)	20 906 402	Expected savings on general expenses
Loss on disposal of PPE	210 000	-	210 000	
Total Operating Expenditure	<u>155 101 908</u>	<u>9 588 076</u>	<u>164 689 984</u>	
Net Deficit for the year	<u>(37 964 758)</u>	<u>(2 262 430)</u>	<u>(40 227 188)</u>	

FRANCES BAARD DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET

	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)	Explanations for material variances
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	2 291 944	5 124 800	(2 832 856)	Based on actual performance
Government - operating	112 569 249	106 579 000	5 990 249	All projects was not completer before year end
Interest	7 866 135	5 443 350	2 422 785	More interest earned due to higher than expected cash balances
Payments				Variance mainly due to vacant positions on the staff establishment of the municipality
Suppliers and Employees	(78 891 440)	(83 210 453)	4 319 014	
Finance charges	(884 112)	(1 054 000)	169 888	
Transfers and Grants	(54 621 447)	(54 578 382)	(43 065)	Not material
NET CASH FROM/(USED) OPERATING ACTIVITIES	-11 669 670	-21 695 685	-	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of Assets	-	60 000	(60 000)	-
Decrease/(increase) in non-current receivables	1 099 717	-	1 099 717	-
Decrease/(increase) in Current investments	(300 000)	5 250 000	(5 550 000)	-
Payments				
Capital assets	(5 582 005)	(9 633 164)	4 051 159	Savings on purchases
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4 782 288)	(4 323 164)	-459 124	
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments				
Repayment of borrowing	(1 784 602)	(1 111 453)	(673 149)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 784 602)	(1 111 453)	(673 149)	
NET INCREASE/(DECREASE) IN CASH HELD	(18 236 560)	(27 130 302)	(1 132 273)	
Cash and Cash Equivalents at the beginning of the year	87 482 573	87 482 573	-	Increase in cash due to expenditure nat realised
Cash and Cash Equivalents at the end of the year	69 275 054	60 393 412	8 881 643	

FRANCES BAARD DISTRICT MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

ADJUSTMENTS TO APPROVED BUDGET

	2016 R (Approved Budget)	2016 R (Adjustments)	2016 R (Final Budget)	Reasons for material adjustments
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	5 124 800	-	5 124 800	-
Government - operating	106 509 000	70 000	106 579 000	Not Material
Interest	5 443 350	-	5 443 350	-
Payments				
Suppliers and Employees	(83 177 413)	(33 040)	(83 210 453)	Not Material
Finance charges	(1 054 000)	-	(1 054 000)	-
Transfers and Grants	(54 578 382)	41 140	(54 537 242)	Not Material
NET CASH FROM/(USED) OPERATING ACTIVITIES	(21 732 645)	78 100	(21 654 545)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Decrease/(increase) in non-current receivables	60 000	-	60 000	-
Payments				
Capital assets	5 250 000	-	5 250 000	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	5 310 000	-	5 310 000	
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments				
Repayment of borrowing	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	
NET INCREASE/(DECREASE) IN CASH HELD	(16 422 645)	78 100	(16 344 545)	
Cash and Cash Equivalents at the beginning of the year	94 016 011	(6 533 437)	87 482 573	Based on actual results
Cash and Cash Equivalents at the end of the year	66 992 929	(6 599 517)	60 393 412	Un - gazetted grants not budgeted for

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1	NET ASSET RESERVES	2016 R	2015 R
	Capital Replacement Reserve	15 281 795	9 186 800
	Accumulated Surplus/(Deficit)	48 172 050	70 511 239
	Revaluations Reserve	20 303 275	15 569 372
	Total Net Asset Reserves	83 757 120	95 267 411

2	LONG-TERM LIABILITIES		
	Annuity Loans - At amortised cost	6 649 115	8 433 717
		6 649 115	8 433 717
	Current Portion transferred to Current Liabilities	1 988 393	1 734 990
	Annuity Loans - At amortised cost	1 988 393	1 734 990
		4 660 722	6 698 727
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	4 660 722	6 698 727

Refer below for maturity dates of long term liabilities:

The obligations under annuity loans are scheduled below:

Amounts payable under annuity loans:

Payable within one year

Payable within two to five years

Less: Future finance obligations

Present value of annuity obligations

	Minimum annuity payments
2 659 315	2 659 207
7 977 946	10 637 261
10 637 261	13 296 469
(3 988 146)	(4 862 751)
6 649 115	8 433 717

A fixed term loan over a period of 10 years was taken up with the Development Bank of Southern Africa to construct a new council chamber and offices. In terms of the service level agreement, as amended, the loan will be repaid in 18 six -monthly instalments with the first instalment payable on 31 December 2010 at a interest rate of 10.9 %. Interest payments commenced on 30 June 2009.

3	EMPLOYEE BENEFITS		
	Post Retirement Healthcare Benefits - Refer to Note 4.1	17 395 000	15 661 878
	Roads Post Retirement Healthcare Benefits - Refer to Note 4.1	8 598 000	9 475 393
	Long Service Awards - Refer to Note 4.2	1 599 000	1 416 872
	Ex-Gratia Pension Benefits - Refer Note 4.3	121 910	126 490
	Total Non-current Employee Benefit Liabilities	27 713 911	26 680 633

In terms of the agreement with the Northern Cape Provincial Government, these amounts will be recoverable from the Provincial Government on payment to the affected employees. Refer note 14.

Post Retirement Healthcare Benefits

Balance 1 July	26 916 547	25 036 299
Contribution for the year	580 573	394 998
Interest Cost	2 237 572	2 069 487
Expenditure for the year	(1 704 902)	(1 574 620)
Actuarial Loss/(Gain)	(237 790)	990 383
Total post retirement benefits 30 June	27 792 000	26 916 547
Less: Transfer of Current Portion - Note 5	(1 799 000)	(1 779 276)
Balance 30 June	25 993 000	25 137 271

Post Retirement Benefits: Frances Baard

Balance 1 July	16 477 830	14 559 754
Contribution for the year	580 573	394 998
Interest Cost	1 381 299	1 212 119
Expenditure for the year	(942 221)	(802 805)
Actuarial Loss/(Gain)	955 519	1 113 764
Total post retirement benefits 30 June	18 453 000	16 477 830
Less: Transfer of Current Portion - Note 5	(1 058 000)	(815 952)
Balance 30 June	17 395 000	15 661 878

**FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

	2016 R	2015 R
<u>Post Retirement Benefits: Roads</u>		
Balance 1 July	10 438 717	10 476 545
Balance previously reported	-	10 652 239
Contribution for the year		-
Interest Cost	856 273	857 368
Expenditure for the year	(762 681)	(771 815)
Actuarial Loss/(Gain)	(1 193 309)	(123 381)
Total post retirement benefits 30 June	9 339 000	10 438 717
Less: Transfer of Current Portion - Note 5	(741 000)	(963 324)
Balance 30 June	8 598 000	9 475 393

<u>Long Service Awards</u>		
Balance 1 July	1 608 516	1 321 976
Contribution for the year	201 377	141 985
Interest Cost	121 389	105 022
Expenditure for the year	(130 296)	(42 346)
Actuarial Loss/(Gain)	(8 986)	81 879
Total long service 30 June	1 792 000	1 608 517
Less: Transfer of Current Portion - Note 5	(193 000)	(191 645)
Balance 30 June	1 599 000	1 416 872

<u>Ex-Gratia Pensions</u>		
Balance 1 July	160 580	168 345
Interest Cost	10 450	11 248
Expenditure for the year	(34 090)	(34 090)
Actuarial Loss/(Gain)	19 060	15 076
Total long service 30 June	156 000	160 580
Less: Transfer of Current Portion - Note 5	(34 090)	(34 090)
Balance 30 June	121 910	126 490

<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>		
Balance 1 July	28 685 643	26 526 621
Contribution for the year	781 950	536 983
Interest cost	2 369 411	2 185 757
Expenditure for the year	(1 869 288)	(1 651 056)
Actuarial Loss/(Gain)	(227 716)	1 087 338
Total employee benefits 30 June	29 740 000	28 685 644
Less: Transfer of Current Portion - Note 5	(2 026 090)	(2 005 011)
Balance 30 June	27 713 911	26 680 633

4 EMPLOYEE BENEFITS (CONTINUE)

3.1 Post Retirement Healthcare Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	62	67
In-service (employee) non-members	36	32
Continuation members (e.g. Retirees, widows, orphans)	46	49
Total Members	144	148

The liability in respect of past service has been estimated to be as follows:

In-service members	6 712 000	6 746 836
Continuation members	21 080 000	20 169 711
Total Liability	27 792 000	26 916 547

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2014 R	2013 R	2012 R
In-service members	5 048 295	4 453 000	2 940 292
Continuation members	19 988 004	18 877 000	19 823 482
Total Liability	25 036 299	23 330 000	22 763 774

	2016 R	2015 R	2014 R	2013 R
Experience adjustments were calculated as follows:				
Liabilities: (Gain) / loss	(237 790)	1 422 000	1 122 000	41 000

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas
Keyhealth
LA Health
ProSano
SAMWU Medical Aid

Key actuarial assumptions used:

i) Rate of interest

Discount rate
Health Care Cost Inflation Rate

Net Effective Discount Rate

Yield curve Equal to CPI + 1 Yield curve based	8.59% 7.76% 0.77%
2016 R	2015 R

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

ii) Mortality rates

Mortality before retirement is based on SA 85-90 mortality tables. Mortality for pensioners was based on the PA 90 ultimate mortality rates.

iii) Normal retirement age

It has been assumed that in-service members will retire at age 60, which then implicitly allows for expected rates of early and ill-health retirement.

iv) Valuation reports

The last valuation was performed on 30 June 2016.

v) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	25 993 000	25 137 271
Total Liability	25 993 000	25 137 271

The fund is wholly unfunded.

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	26 916 547	25 036 299
Total expenses	1 113 243	889 865
Current service cost	580 573	394 998
Interest Cost	2 237 572	2 069 487
Benefits Paid	(1 704 902)	(1 574 620)
Actuarial (gains)/losses	(237 790)	990 383
Present value of fund obligation at the end of the year	27 792 000	26 916 547
Less: Transfer of Current Portion - Note 5	(1 799 000)	(1 779 276)
Balance 30 June	25 993 000	25 137 271

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Sensitivity Analysis on the Accrued Liability

Assumption	In-service members liability (R)	Continuation members liability (R)	Total liability (R)	% change
Central Assumptions	6 747 000	20 170 000	26 917 000	

Sensitivity Analysis on the Future Service Cost and Interest

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption					
Health care inflation	1%	717 000	3 059 000	31 316 000	13%
Health care inflation	-1%	455 000	2 405 000	24 865 000	-11%
Withdrawal Rate	20%	521 000	2 480 000	25 582 000	-8%
Withdrawal Rate	-20%	627 000	2 986 000	30 626 000	10%

3.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses.

99

99

Key actuarial assumptions used:

2016
%

2015
%

i) Rate of interest

Discount rate
General Salary Inflation (long-term)

Yield curve
Equal to CPI + 1
Yield curve
based

8.01%
7.11%
0.84%

Net Effective Discount Rate applied to salary-related Long Service Bonuses

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

ii) Valuation reports

The last valuation was preformed on 30 June 2016.

iii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	1 599 001	1 416 872
Net liability	1 599 001	1 416 872

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2014 R	2013 R	2012 R
Total Liability	1 278 285	1 051 590	1 021 384

Experience adjustments were calculated as follows:

	2016	2015	2014
Liabilities: (Gain) / loss	(8 986)	86 901	79 290

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year
Total expenses

Current service cost	201 377	141 985
Interest Cost	121 389	105 022
Benefits Paid	(130 296)	(42 346)
Actuarial (gains)/losses	(8 986)	81 879
Present value of fund obligation at the end of the year	1 792 001	1 608 517
Less: Transfer of Current Portion - Note 5	(193 000)	(191 645)
Balance 30 June	1 599 001	1 416 872

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Sensitivity Analysis on the Future Service Cost and Interest

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central assumptions					
General salary inflation	1%	242 000	165 000	1 924 000	7%
General salary inflation	-1%	200 000	143 000	1 673 000	-7%
Withdrawal rates	20%	143 000	196 000	1 676 000	-6%
Withdrawal rates	-20%	248 000	166 000	1 924 000	7%

3.3 Provision for Ex-Gratia Pension Benefits

The Ex-Gratia plans are defined benefit plans. As at year end, 2 employees were eligible for Ex-Gratia payments.

There is no Future-service Costs as there are no current in-service members eligible for ex-gratia payments, whereas the Interest cost for the next year is estimated to be R10,450.

Key actuarial assumptions used:

i) Rate of interest

Discount rate	7.78%	7.27%
	2016	2015
	R	R

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

ii) Valuation reports

The last valuation was preformed on 30 June 2015.

iii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	121 910	126 490
Net liability/(asset)	121 910	126 490

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2014	2013	2012
	R	R	R
Members	135 891	142 310	575 936
Total Liability	135 891	142 310	575 936

	2016	2015
	R	R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	160 580	168 345
Total expenses	(23 640)	(22 842)
Interest Cost	10 450	11 248
Benefits Paid	(34 090)	(34 090)
Actuarial (gains)/losses	19 060	15 076
Present value of fund obligation at the end of the year	156 000	160 580
Less: Transfer of Current Portion to Current Employee Benefits - Note 5	(34 090)	(34 090)
Balance at end of year	121 910	126 490

	2016	2015	2014
	R	R	R
Experience adjustments were calculated as follows:			
Liabilities: (Gain) / loss	19 060	14 596	(16 012)

3.4 Retirement funds

The municipality requested detailed employee and pensioner information as well as information on the municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the municipality's process to value the defined benefit liabilities, the municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the municipality. Without detailed pensioner data the municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2016
R

2015
R

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CAPE RETIREMENT FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2015 revealed that the fund is in a sound financial position with a funding level of 101.4% (30 June 2014 - 106.2%).

Contributions paid recognised in the Statement of Financial Performance

5 447 016

4 745 719

DEFINED CONTRIBUTION FUNDS

The municipality contribute to the Municipal Council Pension Fund, SALA Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

Municipal Councillors Pension Fund
SAMWU National Provident Fund

195 246
22 192

351 402
122 289

217 438

473 691

5

CURRENT EMPLOYEE BENEFITS

Current Portion of Post Retirement Healthcare Benefits - Note 3
Roads - Current Portion of Post Retirement Healthcare Benefits - Note 3
Current Portion of Long-Service Provisions - Note 3
Current Portion of Ex-Gratia Pension - Note 3
Provision for Staff Leave
Provision for Performance Bonuses
Staff Bonuses accrued

1 058 000
741 000
193 000
34 090
5 548 577
423 018
1 443 038

815 952
963 324
191 645
34 090
5 196 735
509 040
1 419 974

Total Current Employee Benefits

9 440 722

9 130 759

The movement in current employee benefits are reconciled as follows:

Provision for Staff Leave

Balance at beginning of year
Contribution to current portion
Expenditure incurred

5 196 734
1 674 221
(1 322 380)

4 306 007
1 437 153
(546 426)

Balance at end of year

5 548 576

5 196 734

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

Provision for Performance Bonuses

Balance at beginning of year
Contribution to current portion
Expenditure incurred

509 040
361 557
(447 579)

565 027
485 248
(541 235)

Balance at end of year

423 018

509 040

Performance bonuses are paid one year in arrear as the assessment of eligible employees had not taken place at the reporting date and no present obligation exists.

Staff Bonuses accrued

Balance at beginning of year
Contribution to current portion
Expenditure incurred

1 150 786
2 407 275
(2 138 087)

1 150 786
2 407 275
(2 138 087)

Balance at end of year

1 419 974

1 419 974

Bonuses are being paid to all municipal staff, excluding managers appointed in terms of section 54 & 56 of the Municipal Systems Amendment act of 2011. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2015 R
6 PAYABLES FROM EXCHANGE TRANSACTIONS		
Other Payables	8 458 171	10 535 373
Payments received in advance	126 171	14 355
Retentions	479 108	601 835
Insurance control account	1 435	-
Sundry Creditors	7 761 832	9 855 462
Deposit-rent buildings	2 394	-
Standard Bank fleet card	83 962	63 721
Salary Control: - SITE / PAYE	3 269	-
Total Trade Payables	8 458 171	10 535 373
Payables are being recognised net of any discounts.		
Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary		
The carrying value of trade and other payables approximates its fair value. All payables are unsecured.		
7 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS		
Unspent Grants	3 073 659	1 177 558
National and Provincial Government Grants	3 073 659	1 177 558
Balance Previously Reported	3 073 659	1 177 558
Total Conditional Grants and Receipts	3 073 659	1 177 558
Reconciliation of total grants and receipts		
See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.		
Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.		
8 UNSPENT PUBLIC CONTRIBUTIONS		
Reconciliation of public contributions		
<u>ABSA</u>		
Opening balance	-	15 000
Contributions received	-	-
Conditions met - Transferred to revenue	-	(15 000)
Closing balance	-	-
Brief description of contribution and conditions attached		
9 TAXES		
NET VAT RECEIVABLE/(PAYABLE)	5 393 830	6 862 911
VAT is receivable/payable on the cash basis.		
10 PROPERTY, PLANT AND EQUIPMENT		
10.1 <u>Refer to note 10 on page 66</u>		
10.2 Assets pledged as security:		
No assets are pledged as security.		
10.3 Third party payments received for losses incurred:		
Payments received (Excluding VAT)	301 493	24 737
10.4 Impairment of property plant and equipment for the year		
Impairment charges on Property, plant and equipment recognised in statement of financial performance		
Land and Buildings - impairment	29 040	-
Land and Buildings - reversal of impairment	(1 800 637)	-
	(1 771 597)	-

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2015 R
Cumulative impairment charges included in major balances		
Land and Buildings	16 797 500	18 569 097
	16 797 500	18 569 097

10.5 Effect of changes in accounting estimates

The remaining useful life of some of the movable assets was been revised. Where assets were identified for disposal the remaining useful life was assessed as 1year. The remaining useful life of assets not identified for disposal where reassessed if the remaining useful life in the prior was 2years or less. The residual values were reassessed to be nil, this is based on past trends which indicate that the municipality most likely will not receive any funds on disposal date.

The effect of this revision is an decreased the depreciation charges	(719 426)	-
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10.6 Revaluation of property

The revaluation of council's land and buildings was done by an independent professional valuator, Valu Data, during the current year on the method of

- value indicated by recent sales of comparable properties in the market,
- value of the property's earning power based on a capitalisation of the first year income or projected future income, and
- the current cost of reproducing or replacing the improvements less loss in value from depreciation plus the value of land.

11 INTANGIBLE ASSETS

Computer Software

Net Carrying amount at 1 July

	890 178	776 683
Cost	1 431 195	1 178 740
Accumulated Amortisation	(541 017)	(402 057)
Additions	76 651.00	252 455
Disposals: Cost	(59 570)	-
Amortisation	(184 973)	(138 960)
Impairments	(27 792)	-
Disposals: Amortisation	45 960	-

Net Carrying amount at 30 June

	740 454	890 178
Cost	1 448 276	1 431 195
Accumulated Amortisation	(707 822)	(541 017)

The following material intangible assets are included in the carrying value above

	<u>Remaining Amortisation</u> <u>Period</u>	<u>Carrying Value</u>	
<u>Description</u>			
Computer programmes	10	740 454	890 178

No intangible asset were assessed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

12 HERITAGE ASSETS

Net Carrying amount at 1 July

	631 417	631 417
Cost	631 417	631 417
Acquisitions	-	-

Net Carrying amount at 30 June

	631 417	631 417
Cost	631 417	631 417

There are no restrictions on the realisability of Heritage Assets or the remittance of revenue and proceeds of disposal.

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2015 R
There are no contractual obligations to purchase, construct or develop Heritage Assets or for repairs, maintenance or enhancements.		
There were no Heritage Assets pledged as security for liabilities for the 2015/16 financial year.		
13 CURRENT INVESTMENTS		
Bank Deposits	5 550 000	5 250 000
Total Current Investments	5 550 000	5 250 000
Fixed deposit at Standard Bank until 27 June 2017 at 7.09% interest.		
14 LONG-TERM RECEIVABLES		
Roads Post Retirement Healthcare Benefits - Refer to Note 4.1	9 339 000	10 438 717
Opening Balance	10 438 717	10 476 545
Current year movements	(1 099 717)	(37 828)
Total post retirement benefits 30 June	9 339 000	10 438 717
Less: Transfer of Current Portion	(741 000)	(963 324)
Balance 30 June	8 598 000	9 475 393
The municipality managed an agency service on behalf of the Department of Roads & Public Works until 30 June 2011. The service has been transferred back to the department from 01 July 2011. As per agreement, the municipality will continue payment of the post service medical aid premiums of the retired employees to the service provider. The department will refund the employers portion of the instalment and the members will be responsible for the employee portion. Outstanding amounts are treated as receivables from non-exchange transactions.		
15 INVENTORY		
Consumable Stores - Stationery and materials - At cost	303 121	323 658
Total Inventory	303 121	323 658
Inventory recognised as an expense during the year	357 798	352 500
No inventory assets were pledged as security for liabilities.		
16 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Other Receivables	1 757 951	1 531 082
Sundry Services	565 493	535 439
Payments Made in Advance	676 586	680 791
Interest on investment	222 938	209 597
Other Sundry Debtors	288 057	73 307
Salary Control:-Main Account	1 126	-
Salary Control - Traffic Fines	-	200
Salary Control: - Unclaimed Salaries	360	-
Insurance Control Account	-	20 547
Recoverable Amounts	3 391	11 200
Total Receivables from Non-Exchange Transactions	1 757 951	1 531 082
Less: Allowance for Doubtful Debts	-	-
Total Net Receivables from Non-Exchange Transactions	1 757 951	1 531 082
Reconciliation of Provision for Bad Debts		
Balance at beginning of year	-	10 695
Contribution to provision/(Reversal of provision)	-	-
Bad Debts Written Off	-	(10 695)
Balance at end of year	-	-
The entire provision for bad debts relates to outstanding levies for post service medical aid contributions.		
Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.		

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2015 R
17 OPERATING LEASE ARRANGEMENTS		
The Municipality as Lessor (Asset)		
Balance on 1 July	2 754	-
Correction of error	-	2 754
Movement during the year	2 247	-
Balance on 30 June	5 000	2 754
At the Statement of Financial Position date, where the municipality acts as a lessor under operating		
Up to 1 Year	22 526	20 855
1 to 5 Years	57 558	80 082
More than 5 Years	-	-
Total Operating Lease Arrangements	80 085	100 937
This lease income was determined from contracts that have a specific conditional income and does not		
The municipality does not engage in any sub-lease arrangements.		
The municipality did not receive any contingent rent during the year		
18 CASH AND CASH EQUIVALENTS		
<u>Assets</u>		
Call Investment Deposits	66 000 000	84 500 000
Primary Bank Account	3 271 754	2 979 273
Cash Floats	3 300	3 300
Total Cash and Cash Equivalents - Assets	69 275 054	87 482 573
Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.		
The municipality has the following bank accounts:		
<u>Current Accounts</u>		
Standard Bank Kimberley Business Centre - Account Number 04 007 955 4	3 271 754	2 979 273
	3 271 754	2 979 273
<i>Standard Bank Kimberley Business Centre - Account Number 04 007 955 4</i>		
Cash book balance at beginning of year	2 979 273	9 921 183
Cash book balance at end of year	3 271 754	2 979 273
Bank statement balance at beginning of year	3 211 552	10 111 546
Bank statement balance at end of year	3 275 264	3 211 552
<i>ABSA Bank Kimberley (Central Business District) - Account Number 940 000 327</i>		
Cash book balance at beginning of year	-	9 856
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	9 856
Bank statement balance at end of year	-	-
New primary bank account has been opened at Standard bank. The account at ABSA was closed on 14 July 2014.		
<u>Call Investment Deposits</u>		
Call investment deposits consist out of the following accounts:		
Absa Bank	17 500 000	
93-1387-7406	7 000 000	
20-7565-5193	6 000 000	
20-7591-8307	4 500 000	
Rand Merchant	12 500 000	
244513/0	4 000 000	
MUY6T10003/0	4 000 000	
244399/0	4 500 000	
Nedcor	20 500 000	
03/7662011402/000107	10 000 000	
03/7662011402/000105	4 500 000	
03/7662011402/000102	6 000 000	
Standard Bank	15 500 000	
48 472 468 106	6 000 000	
48 472 468 104	4 500 000	
48 472 468 108	5 000 000	
	66 000 000	

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Absa Bank
20-7449-2590

20-7506-4106

First Rand
PVH5311041
PVH56MA00

Nedcor
CALL - 7662011402 / 000076
03 / 7662011402 / 89
03 / 7662011402 / 92

Standard Bank
048472468 084
048472468 085
048472468 089
048472468 091

19 000 000
9 000 000
4 500 000
5 500 000
15 500 000
10 000 000
5 500 000
22 000 000
9 500 000
7 000 000
5 500 000
28 000 000
10 000 000
8 000 000
4 500 000
5 500 000
84 500 000

19 GOVERNMENT GRANTS AND SUBSIDIES

Unconditional Grants

Equitable Share

Conditional Grants

National Government
Provincial Government
Public Contributions

Total Grants and Subsidies

Government Grants and Subsidies - Operating

Revenue recognised per vote as required by Section 123 (c) of the MFMA

Equitable share

Executive & Council
Budget & Treasury
Planning & Development
Housing
Public Safety

98 936 000	97 428 000
98 936 000	97 428 000
11 477 263	4 966 755
3 234 135	1 924 115
8 243 127	3 027 640
-	15 000
110 413 263	102 394 755
110 413 263	102 394 824
110 413 263	102 394 824
98 936 000	97 428 000
387 794	49 610
1 392 481	1 327 097
6 046 939	1 895 115
3 300 051	1 380 000
350 000	315 000
110 413 264	102 394 822

The municipality does not expect any significant changes to the level of grants.

19.01 Equitable share

Opening balance

Grants received

Gross Funding

Conditions met - transferred to revenue

Conditions still to be met

-	-
98 936 000	97 428 000
98 936 000	97 428 000
(98 936 000)	(97 428 000)
-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

19.02 Financial Management Grant

Opening balance

Grants received

Gross Funding

Conditions met - transferred to revenue

Conditions still to be met

-	-
1 250 000	1 250 000
1 250 000	1 250 000
(1 250 000)	(1 250 000)
-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
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	2016 R	2015 R
19.03 Municipal Systems Improvement Grant		
Opening balance	259 885	179 068
Grants received	940 000	934 000
Gross Funding	1 199 885	1 113 068
Conditions met - transferred to revenue	(893 937)	(674 047)
Transferred to sundry revenue		(68)
Transferred back to National Treasury	(259 885)	(179 068)
Conditions still to be met	46 063	259 885

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

19.04 District Aids Council		
Opening balance	550 390	100 000
Grants received	-	500 000
Gross Funding	550 390	600 000
Conditions met - transferred to revenue	(387 794)	(49 610)
Grant expenditure to be recovered	162 596	550 390

The grant is from Department of Health to finance the costs of District Aids Councils in the campaign against AIDS and also to provide HIV /AIDS prevention care programs and services in the region.

19.05 NEAR Control Centre		
Opening balance	-	-
Grants received	350 000	315 000
Gross Funding	350 000	315 000
Conditions met - transferred to revenue	(350 000)	(315 000)
Grant expenditure to be recovered	-	-

The grant is used to maintain effective functioning of the NEAR control centres and provide additional funds for training NEAR personnel.

19.06 NCPA - Housing Accreditation Grant		
Opening balance	-	-
Grants received	1 050 000	1 380 000
Gross Funding	1 050 000	1 380 000
Conditions met - transferred to revenue	(1 050 000)	(1 380 000)
Conditions still to be met	-	-

The grant is used to enable the district municipality to obtain full accreditation to administer national housing programmes in terms of the delegation of functions from Department of Cooperative Governance, Human Settlements & Traditional Affairs.

19.07 NCPA Firefighting Equipment		
Opening balance	315 000	-
Grants received	350 000	315 000
Gross Funding	665 000	315 000
Conditions met - transferred to revenue	-	-
Conditions still to be met	665 000	315 000

Grant is used to enhance municipalities' capacity to deal with fire hazards.

19.08 SETA - Skills Grant		
Opening balance	-	-
Grants received	90 198	77 099
Gross Funding	90 198	77 099
Conditions met - transferred to revenue	(90 198)	(77 099)
Conditions still to be met	-	-

The grant is used for training and capacity building of employees as per approved Skills Work Plan.

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
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	2016 R	2015 R
19.09 NCPA: EPWP		
Opening balance	-	-
Grants received	1 000 000	1 006 000
Gross Funding	1 000 000	1 006 000
Conditions met - transferred to revenue	(1 000 000)	(1 006 000)
Conditions still to be met	-	-
The grant is used for clearance and vegetation control of areas in the DMA.		
19.10 NCPA: Environmental Health Recycling Project		
Opening balance	52 283	52 283
Grants received	-	-
Gross Funding	52 283	52 283
Conditions met - transferred to revenue	(52 283)	-
Conditions still to be met	-	52 283
Grant is used for Frances Baard Recycling projects.		
19.11 NCPA - Tourism Grant		
Opening balance	-	-
Grants received	200 000	200 000
Gross Funding	200 000	200 000
Conditions met - transferred to revenue	-	(200 000)
Conditions still to be met	200 000	-
19.12 NCPA: Operation Kgotso Pula Nala		
Opening balance	4 000 000	-
Grants received	-	-
Gross Funding	4 000 000	-
Conditions met - transferred to revenue	(2 000 001)	-
Conditions still to be met	1 999 999	-
19.13 Rural Roads Asset Management System		
Opening balance	2 153 000	-
Grants received	-	-
Gross Funding	2 153 000	-
Conditions met - transferred to revenue	(2 153 000)	-
Conditions still to be met	-	-
19.14 NCPA Housing Project		
Opening balance	-	-
Grants received	2 250 051	-
Gross Funding	2 250 051	-
Conditions met - transferred to revenue	(2 250 051)	-
Conditions still to be met	-	-
19.15 Total Government Grants & Subsidies		
Opening balance	1 177 558	331 350
Grants received	112 569 249	103 405 099
Gross Funding	113 746 806	103 736 449
Transferred to sundry revenue	-	(68)
Transferred back to National Treasury	(259 885)	(179 068)
Conditions met - transferred to revenue	(110 413 263)	(102 379 757)
Conditions still to be met/(Grant expenditure to be recovered)	3 073 659	1 177 558

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2015 R
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	3 073 659	1 177 558
	3 073 659	1 177 558
20 Public Contributions & Donations		
20.1 ABSA		
Opening balance	-	15 000
Grants received	-	-
Gross Funding	-	15 000
Conditions met - transferred to revenue	-	(15 000)
Conditions still to be met	-	-
Private contribution to fund commemorative day celebrations		
20.2 Total Public Contributions & Donations		
Opening balance	-	15 000
Grants received	-	-
Gross Funding	-	15 000
Conditions met - transferred to revenue	-	(15 000)
Conditions still to be met/(Grant expenditure to be recovered)	-	-
21 OTHER INCOME		
Commission: Insurance Payments	11 532	21 303
Private telephone calls / photo copies	32 241	38 530
Rentals	25 677	9 879
Discount on SALGA membership fees		37 500
Recovered Unauthorised, Fruitless & Wasteful Expenditure		10 128.31
Insurance Claims / Replace Stolen Assets	301 493	24 737
Reversal of impairment	1 713 113	-
Tender fees	38 628	-
Motor vehicle usage		5 500
Other	12 245	5 075
Total Other Income	2 134 929	152 651
Other income represents income such as insurance claims, private telephone calls and other sundry income.		
22 EMPLOYEE RELATED COSTS		
Employee related costs – Salaries and Wages	34 334 808	30 918 010
Employee related costs – Contributions for UIF, pensions and medical aids	7 172 698	6 451 426
Motor car and other allowances	4 305 063	3 671 632
Housing benefits and allowances	389 658	265 399
Leave benefit	1 674 221	1 437 153
Annual Bonus	2 527 155	2 407 275
Performance bonus	361 557	485 248
Compulsory cost:- Skills Levy; Workmen's Compensation; Industrial Council Contributions	720 414	507 658
Group Insurance	476 154	431 882
Long Service Bonus	201 377	141 985
Post-Retirement Medical Aid	580 573	-
Post-Retirement Pension fund	-	394 998
	52 743 677	47 112 666
Total Employee Related Costs	52 743 677	47 112 666

KEY MANAGEMENT PERSONNEL

The Municipal Manager and all other directors are appointed on a 5-year fixed term contract. There are no post-employment or termination benefits payable to them at the end of the contract period.

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2015 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager - Ms ZM Bogatsu</i>		
Annual Remuneration	1 776 349	1 647 598
Performance Bonuses	301 252	235 689
Total	2 077 601	1 883 287
<i>Remuneration of the Acting Director Financial Services - Ms O Moseki</i>		
Annual Remuneration	751 275	884 075
Performance Bonuses	104 005	-
Total	855 280	884 075
<i>Remuneration of the Director Administration - Ms NG Kgantsi</i>		
Annual Remuneration	-	160 315
Performance Bonuses	-	101 849
Total	-	262 163
Resigned on 22 August 2014		
<i>Remuneration of Executive Director: Infrastructure Services - Mr PJ van der Walt</i>		
Annual Remuneration	1 188 651	1 173 607
Performance Bonuses	104 005	97 199
Total	1 292 656	1 270 806
<i>Remuneration of Executive Director: Planning & Development - Mr FS Mdee</i>		
Annual Remuneration	1 265 247	1 173 607
Performance Bonuses	104 005	101 849
Total	1 369 252	1 275 456
23 REMUNERATION OF COUNCILLORS		
Mayor	807 929	766 897
Speaker	650 515	617 690
MPAC Chairperson	337 003	320 391
Mayoral Committee Members	2 821 013	2 679 253
Councillors	1 280 775	1 236 981
Other Obligatory Contributions (Skills Levy, etc.)	90 418	69 742
Total Councillors' Remuneration	5 987 653	5 690 954
<i>In-kind Benefits</i>		
The Executive Mayor, Speaker and all the Mayoral committee members are full-time. The Mayor is provided with secretarial support and an office at the cost of the Council.		
The Executive Mayor makes use of a municipal vehicle for official duties.		
24 DEBT IMPAIRMENT		
Trade Receivables from non-exchange transactions - Note 16	-	-
Total Contribution to Debt Impairment	-	-
Debt impairment recognised in statement of financial performance	-	-
25 DEPRECIATION AND AMORTISATION		
Property Plant and Equipment	3 775 996	3 630 130
Intangible Assets	184 973	138 960
	3 960 969	3 769 090
26 IMPAIRMENTS		
Property Plant and Equipment	(1 771 597)	-
Intangible assets	27 792	-
	(1 743 806)	-
27 FINANCE CHARGES		
27.1 Long-term Liabilities	884 112	1 052 381
Finance leases	-	-
Total finance charges: long-term Liabilities	884 112	1 052 381
27.2 Employee Benefits	1 513 138	1 328 389
Total finance charges	2 397 250	2 380 770

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

		2016 R	2015 R
28	GRANTS AND SUBSIDIES		
28.1	Grants and subsidies paid to other municipalities		
	Infrastructure grants paid to other municipalities	36 187 382	27 435 011
	Dikgatlong Municipality	4 956 323	4 734 558
	Streets & Storm Water	-	573 636
	Refuse	2 000 636	-
	Electricity	200 641	2 444 535
	Sanitation	-	1 310 547
	Water	256 293	405 840
	Maintenance Projects	2 498 753	-
	Magareng Municipality	12 146 650	7 500 210
	Water	-	5 000 000
	Trucks & Equipment	1 873 900	-
	Sanitation	7 772 751	-
	Maintenance Projects	2 500 000	2 500 210
	Phokwane Municipality	10 609 963	8 374 432
	Sanitation	-	1 510 530
	Streets & Stormwater	678 625	251 200
	Water	7 432 307	1 624 790
	Maintenance Projects	2 499 032	4 987 912
	Sol Plaatje Municipality	8 474 445	6 825 811
	Water	5 974 445	4 325 811
	Maintenance Projects	2 500 000	2 500 000
	Total Grants and subsidies paid to other municipalities	36 187 382	27 435 011
	The municipality makes allocations to participating bodies within its area of jurisdiction. Such allocations are primarily for infrastructure development and are treated as grants in kind. Assets with regard to property, plant and equipment funded becomes the property of the participating body who controls the asset.		
28.2	Other grants paid and special projects		
	Other grants paid and special projects	18 434 065	9 840 966
	Grants paid to other organs of state	135 000	135 000
	Northern Cape Tourism Authority	135 000	135 000
	Other special projects	18 299 065	9 705 966
	Council - Special Projects in the Office of the Mayor and Speaker	101 134	102 032
	Special Projects: Office of The Municipal Manager	-	10 964
	Youth unit	368 467	-
	Communications - Communication Projects	-	112 662
	Internal Audit	357 376	91 546
	Political Office Admin	450 537	-
	Financial Management & Support Programmes	1 577 491	2 728 420
	Information Technology Projects	553	866
	Employee wellness programmes	151 764	476 570
	Project Management Projects	1 798 877	7 001
	Tourism Projects	2 027 416	1 885 981
	Operation Khotso Pula Nala	2 000 002	-
	GIS Projects	599 991	594 414
	Spatial Planning Projects	2 025 184	63 021
	Planning & Development projects	825 910	760 365
	IDP / PMS Projects	42 457	44 258
	Other special projects continue		
	Local Economic Development	2 636 426	2 079 508
	Environmental Health Projects	115 132	273 217
	Disaster Management	926 908	392 898
	Housing Awareness	2 293 442	82 244
	Total Other grants paid and special projects	18 434 065	9 840 966
	Summary of Grants and Subsidies Paid		
	Infrastructure grants paid to other municipalities	36 187 382	27 435 011
	Grants paid to other organs of state	135 000	135 000
	Other special projects	18 299 065	9 705 966
	Total Grants and Subsidies	54 621 447	37 275 977

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

		2016 R	2015 R
29	GENERAL EXPENSES		
	Accommodation	843 589	1 127 291
	Audit Fees	1 762 995	1 887 149
	Bank Charges	48 118	48 325
	Books, Printing & Stationery	697 272	671 597
	Cellphones	66 756	71 358
	Cleaning Materials	57 400	54 959
	Cleaning Motor Vehicles	13 780	14 079
	Conferences and Seminars	147 783	219 808
	Consultancy	1 345 867	469 369
	Entertainment / Refreshments	229 421	224 778
	General Expenses	399 410	313 061
	General Notices	946 917	1 019 572
	Gifts	3 139	4 036
	Insurance	402 638	340 250
	Motor vehicle operating cost	524 837	837 803
	Municipal Services & Taxes	2 266 507	1 428 580
	Office Requirements	4 360	5 516
	Pauper Burials	12 000	13 200
	Postage	13 901	26 742
	Protective Clothing	32 791	28 120
	Relocation Costs	119 571	221 186
	SALGA Membership Fees	628 254	587 261
	IA membership fees	8 079	7 523
	Security Services	589 826	589 826
	Study Bursaries	73 367	79 935
	Training	938 984	794 400
	Telephone / Data Lines	380 389	448 533
	Transportation	583 380	529 683
	General Expenses	13 141 331	12 063 939
30	CORRECTION OF ERROR IN TERMS OF GRAP 3		
30.1	Accumulated Surplus		
	<u>1 July 2014 - Opening Balance</u>		
	Balance Previously Reported		73 425 979
	Recognise off-set of revaluation surplus relating to 2012 revaluation reserve opening balance		644 654
	Reverse depreciation off-set on land		(93 620)
	Realise remaining revaluation surplus of land and buildings transferred to NCPA		(249 128)
	Reverse revaluation surplus realised for land incorrectly derecognised		(800 000)
	Reverse carrying value of land incorrectly derecognised as part of transferred land to NCPA		800 000
	Restated Accumulated surplus at 30 June 2014		73 727 885
	<u>1 July 2015 - Opening balance</u>		
	Balance Previously Reported		70 463 202
	Straight lining correction of MTN lease agreement in terms of GRAP 13 Leases		2 754
	Recognise off-set of revaluation surplus relating to 2012 revaluation reserve opening balance		92 093
	Reverse depreciation off-set on land		(46 810)
	Restated accumulated surplus at 30 June 2015		70 511 239
30.2	Revaluation Reserve		
	Balance Previously Reported		15 323 973
	Restatement of prior year depreciation offset		452 811
	Restated Balance		15 776 784

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

		2016 R	2015 R		
31	RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS				
	Surplus/(Deficit) for the year	(16 496 889)	(2 467 377)		
	Adjustments for:				
	Depreciation	3 775 996	3 630 130		
	Amortisation of Intangible Assets	184 973	138 960		
	Loss on disposal of property, plant and equipment	216 455	110 505		
	Contribution from/to Employee Benefits - Current	4 443 054	4 329 675		
	Contribution from/to Employee Benefits - Current - Expenditure incurred	(3 908 046)	(3 225 747)		
	Contribution from/to Employee Benefits - Non-Current	3 151 361	2 722 740		
	Contribution from/to Employee Benefits - Non-Current - Expenditure incurred	(1 869 288)	(1 651 056)		
	Actuarial Losses	(227 716)	1 087 338		
	Grader cost	-	(891 005)		
	Grader cost	(275 164)	891 005		
	Grants Received	112 569 249	103 405 097		
	Grant Expenditure	(110 673 149)	(102 573 890)		
	Operating lease income accrued	(2 247)	-		
	Operating Surplus/(Deficit) before changes in working capital	(10 855 216)	5 506 377		
	Changes in working capital	(814 454)	(1 424 000)		
	Increase/(Decrease) in Trade and Other Payables	(2 077 202)	4 278 123		
	(Increase)/Decrease in Taxes	1 469 081	(5 655 193)		
	(Increase)/Decrease in Inventory	20 536	(31 864)		
	(Increase)/Decrease in Trade and other receivables	(226 870)	(15 067)		
	Cash generated/(absorbed) by operations	(11 669 670)	4 082 377		
32	CASH AND CASH EQUIVALENTS				
	Cash and cash equivalents included in the cash flow statement comprise the following:				
	Call Investments Deposits - Note 18	66 000 000	84 500 000		
	Cash Floats - Note 18	3 300	3 300		
	Bank - Note 18	3 271 754	2 979 273		
	Total cash and cash equivalents	69 275 054	87 482 573		
33	RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES				
	Cash and Cash Equivalents - Note 32	69 275 054	87 482 573		
	Investments - Note 13	5 550 000	5 250 000		
		74 825 054	92 732 573		
	Less:	50 972 552	50 843 690		
	Unspent Committed Conditional Grants - Note 7	3 073 659	1 177 558		
	Payables from exchange transactions	8 458 171	10 535 373		
	Current Employee benefits	9 440 722	9 130 759		
	Cash Reserves to Cover Expenditure for Three Months	30 000 000	30 000 000		
	Resources available for working capital requirements	23 852 502	41 888 884		
	Allocated to:				
	Capital Replacement Reserve	15 281 795	9 186 800		
	Employee Benefits	27 713 911	26 680 633		
	Resources available for working capital requirements	(19 143 203)	6 021 451		
34	UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION				
	Long-term Liabilities - Note 2	6 649 115	8 433 717		
	Used to finance property, plant and equipment - at cost	(6 649 115)	(8 433 717)		
	Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.				
	BUDGET COMPARISONS				
		2016 R (Actual)	2016 R (Budget)	2016 R (Variance)	2016 (%)
34.1	Operational				
	Revenue by source				
	Government Grants and Subsidies - Operating	110 413 264	112 934 646	(2 521 382)	-2%
	Rental of Facilities and Equipment	643 770	1 072 000	(428 230)	-40%
	Interest Earned - external investments / current account	7 866 135	5 843 350	2 022 785	35%
	Other Income	2 134 929	4 552 800	(2 417 871)	-53%
	Gain on disposal of Property, Plant and Equipment	-	60 000	(60 000)	-100%
		121 058 098	124 462 796	(3 404 698)	-3%

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Expenditure by nature

Employee Related Costs	52 743 677	57 549 150	(4 805 473)	8%
Remuneration of Councillors	5 987 653	6 336 840	(349 187)	6%
Debt Impairment	-	3 000	(3 000)	100%
Depreciation and Amortisation	3 960 969	5 615 000	(1 654 031)	29%
Repairs and Maintenance	3 520 611	4 694 686	(1 174 075)	25%
Finance Charges - Employee Benefits	1 513 138	2 000 000	(486 862)	24%
Finance Charges - External Funding	884 112	1 054 000	(169 888)	16%
Grants and Subsidies	54 621 447	66 320 906	(11 699 459)	18%
General Expenses	14 106 924	20 906 402	(6 799 478)	33%
Loss on disposal of Property, Plant and Equipment	216 455	210 000	6 455	-3%
	137 554 987	164 689 984	(27 134 997)	16%
Net Surplus for the year	(16 496 889)	(40 227 188)	(30 539 695)	76%

	2016 R (Actual)	2016 R (Budget)	2016 R (Variance)	2016 (%)
34.2 Expenditure by Vote				
Executive & Council	22 314 198	26 659 230	(4 345 032)	-16%
Budget & Treasury	20 664 284	23 981 223	(3 316 939)	-14%
Corporate Services	15 360 825	18 926 192	(3 565 367)	-19%
Planning & Development	64 806 546	77 031 879	(12 225 333)	-16%
Housing	6 781 314	8 716 636	(1 935 322)	-22%
Public Safety	5 139 509	6 504 404	(1 364 895)	-21%
Environmental Protection	2 488 311	2 870 420	(382 109)	-13%
	137 554 987	164 689 984	(27 134 997)	-16%
	2016 R (Actual)	2016 R (Budget)	2016 R (Variance)	2016 (%)
34.3 Capital expenditure by vote				
Executive & Council	29 811	166 880	(137 069)	-82%
Budget & Treasury	1 952 827	2 143 460	(190 633)	-9%
Corporate Services	365 348	504 493	(139 145)	-28%
Planning & Development	631 582	1 188 233	(556 651)	-47%
Housing	-	-	-	0%
Public Safety	2 592 796	7 655 120	(5 062 324)	-66%
Environmental Protection	9 640	20 411	(10 771)	-53%
	5 582 005	11 678 597	(6 096 592)	-52%

35 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

35.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure:

Opening balance	-	695 884
Unauthorised expenditure current year - capital	-	-
Unauthorised expenditure current year - operating	6 455	-
Written off by council	-	(695 884)
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	6 455	-

2016

Incident	Disciplinary steps/criminal proceedings
Under budget on loss on sale of fixed assets.	Non-cash item that will be tabled to council during 2016 / 2017 financial year

2015

No unauthorised expenditure was incurred for 2014/15 financial year.

35.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	216 856	275 664
Fruitless and wasteful expenditure current year	42 077	58 602
Written off by council / Recovered	(186 583)	(117 410)
Transfer to receivables for recovery	(66 740)	-
Fruitless and wasteful expenditure awaiting further action	5 610	216 856

Recoverability of all fruitless and wasteful expenditure will be evaluated by Council in terms of section 32 of MFMA. The Accounting Officer wrote letters to officials and the Speaker to councillors. Consolidated responses were taken to MPAC for further investigations.

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2015 R
35.3 Irregular expenditure		
Reconciliation of irregular expenditure:		
Opening balance	582 330	582 330
Irregular expenditure current year	-	-
Written off by council	(582 330)	(582 330)
Transfer to receivables for recovery	-	-
Irregular expenditure awaiting further action	-	-
	-	-
	-	-
Recoverability of all irregular expenditure was resolved by Council in terms of section 32 of MFMA.		
35.4 Material Losses		
No material losses occurred during the year.		
36 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
36.1 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS		
Opening balance	-	-
Council subscriptions	628 254	587 261
Amount paid - current year	(628 254)	(587 261)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
36.2 Audit fees - [MFMA 125 (1)(b)]		
Opening balance	-	-
Current year audit fee	1 762 995	1 887 149
Amount paid - current year	(1 762 995)	(1 887 149)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	-	-
36.3 VAT - [MFMA 125 (1)(b)]		
Opening balance	6 862 911	1 193 819
Amounts received - current year	(4 854 334)	-
Amounts received - previous years	(4 973 929)	-
Amounts claimed - current year	8 362 199	5 669 092
Closing balance - Receivable	5 396 847	6 862 911
VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.		
36.4 PAYE, SDL and UIF - [MFMA 125 (1)(b)]		
Opening balance	-	-
Current year payroll deductions and Council Contributions	10 523 848	8 960 851
Amount paid - current year	(10 520 579)	(8 960 851)
Balance unpaid (included in creditors)	3 269	-
36.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]		
Opening balance	-	-
Current year payroll deductions and Council Contributions	9 356 677	8 511 637
Amount paid - current year	(9 356 679)	(8 511 637)
Balance unpaid (included in creditors)	(2)	-
36.6 Other non-compliance (MFMA 125(2)(e))		
None		
36.7 Deviations approved by the Municipal Manager		
Supply Chain Management Policy has been amended and adopted by Council with an effective date of 23 September 2015 for implementation.		

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

		2016 R	2015 R
The following deviations were allowed in terms of the Supply Chain Policy for the year under review.			
Supplier	Service	Amount	
2016			
Summat Training institute	MFMA internship programme / training	279 300	
Sage VIP Payroll	VIP payroll upgrade	114 717	
Mubesko Africa	Review annual financial statements	146 661	
Celebrity Heating and Cooling	Service and maintenance of air conditioners	12 433	
Tletse Trading Enterprises	Catering for district youth summit	49 500	
Ous Meisies	Year end function	49 750	
Lexis Nexis	On-line library package	53 210	
Letsebele Transport and Trading	Razor mech fence	847 440	
Total		1 553 011	
2015			
Quantec Research (PTY) LTD	Annual data subscription		104 844
The Signature Hotel	Hosting of year-end function programme		57 342
Cheesy lifestyle Entertainment	Catering for youth day programme		54 000
Madibuseng Trading	Extension of work on painting of council chambers		9 260
Deloitte Consulting	Job description writing training		53 798
Wolters Kluwer Tax & Accounting Services	Teammate software for internal audit work		191 241
Price Waterhouse Coopers / Combined Systems	Data cleansing, upload of final asset register to Baud		59 280
Total		-	529 765

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FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

1% (2016 - 0.5%) Increase in interest rates	551 703	358 249
0.5% (2016 - 0.5%) Decrease in interest rates	(275 852)	(358 249)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2016
R

2015
R

Long-term Receivables and Other Debtors are individually evaluated annually at Statement of Financial Position date for impairment.

Financial assets exposed to credit risk at year end are as follows:

Long term receivables	9 339 000	10 438 717
Receivables from non-exchange transactions	1 757 951	1 531 082
Cash and Cash Equivalents	69 275 054	87 482 573
Current Investments	5 550 000	5 250 000
	85 922 006	104 702 372

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2016				
Long Term liabilities - Annuity Loans	2 705 066	5 377 449	-	-
Capital repayments	1 988 393	4 660 772	-	-
Interest	716 673	716 677	-	-
Trade and Other Payables	8 458 171	-	-	-
Unspent conditional government grants and receipts	3 073 659	-	-	-
Cash and Cash Equivalents	-	-	-	-
	14 236 896	5 377 449	-	-
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2015				
Long Term liabilities - Annuity Loans	2 505 184	8 132 077	-	-
Capital repayments	1 734 990	6 698 727	-	-
Interest	770 194	1 433 350	-	-
Trade and Other Payables	10 521 018	-	-	-
Unspent conditional government grants and receipts	1 162 558	-	-	-
Cash and Cash Equivalents	-	-	-	-
	14 188 760	8 132 077	-	-

38 FINANCIAL INSTRUMENTS

In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:

38.1 Financial Assets	<u>Classification</u>		
Investments			
Bank Deposits	Financial instruments at amortised cost	5 550 000	5 250 000
Receivables			
Receivables from non-exchange transactions	Financial instruments at amortised cost	1 757 951	1 531 082
Short-term Investment Deposits			
Call Deposits	Financial instruments at amortised cost	66 000 000	84 500 000
Bank Balances and Cash			
Bank Balances	Financial instruments at amortised cost	3 271 754	2 979 273
Cash Floats and Advances	Financial instruments at amortised cost	3 300	3 300
		76 583 006	94 263 655

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

		2016 R	2015 R
SUMMARY OF FINANCIAL ASSETS			
	Financial instruments at amortised cost	76 583 006	94 263 655
	At amortised cost	76 583 006	94 263 655
38.2	<u>Financial Liability</u>		
	<u>Classification</u>		
	Long-term Liabilities		
	Annuity Loans	4 660 722	6 698 727
	Capitalised Lease Liability	-	-
	Payables from exchange transactions		
	Other Payables	8 458 171	10 535 373
	Other Payables		
	Government Subsidies and Grants	3 073 659	1 177 558
	Current Portion of Long-term Liabilities		
	Annuity Loans	1 988 393	1 734 990
		18 180 945	20 146 648
SUMMARY OF FINANCIAL LIABILITY			
	Financial instruments at amortised cost	18 180 945	20 146 648
39	STATUTORY RECEIVABLES		
	Taxes		
	VAT Receivable	5 393 830	6 862 911
	Receivables from Non-Exchange Transactions		
	Fines	-	-
	Total Statutory Receivables	5 393 830	6 862 911
40	EVENTS AFTER THE REPORTING DATE		
	The municipality has erroneously paid the outgoing councillors salaries from 11 August 2016 to 28 August 2016. Processes will be implemented to ensure that the monies are recovered from the affected parties.		
41	IN-KIND DONATIONS AND ASSISTANCE		
	A member of the Audit Committee is employed by the office of the premier and is not remunerated by the municipality.		
42	PRIVATE PUBLIC PARTNERSHIPS		
	The municipality has not entered into any private public partnerships during the financial year.		
43	CONTINGENT LIABILITY		
43.1	<u>Labour Disputes</u>		
	After dismissal, an employer tried to obtain a court ruling for unfair dismissal and to be re-instated in the position that she occupied before. The Labour Court ruled in her favour and ruled that she must be re-instated and that her backdated salary should be paid to her accordingly.		
	The municipality has resubmitted the case to the Labour Appeal Court and awaiting final ruling.		
	If the court of appeal rules in favour of the employee, an amount of R 1 703 424 may be payable to the employee.		
44	RELATED PARTIES		
	Key management and councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.		
	The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.		

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

44.1 Related Party Loans

None

44.2 Compensation of key management personnel

The compensation of key management personnel is set out in note 22 to the annual financial statements.

44.3 Other related party transactions

None

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

10 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2016

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation and Impairment Losses				Carrying Value	
	Opening Balance	Additions	Revaluation Adjustment	Disposals	Closing Balance	Opening Balance	Depreciation Charge	Disposals	Revaluation / Impairment Movements	Closing Balance
	R	R		R	R	R	R	R		R
Community Assets	1 202 724	-		-	1 202 724	706 837	150 712	-	-	857 549
Land & Buildings	151 676			-	151 676	92 452	9 241	-	-	101 694
Security Measures	1 051 048				1 051 048	614 385	141 471		-	755 856
Other Assets	70 539 129	5 505 354	3 683 479	1 190 967	78 536 992	33 222 854	3 625 284	988 122	(3 074 717)	32 785 298
Land & Buildings	47 500 086	3 051 119	3 683 479		54 234 681	20 188 434	500 811	-	(3 074 717)	17 614 528
Office Equipment	3 871 188	86 981		298 039	3 660 130	2 375 706	432 435	259 811	-	2 548 330
Furniture & Fittings	3 105 649	158 956		32 502	3 232 103	2 312 795	221 563	27 615	-	2 506 744
Plant & Machinery	2 297 405	19 744			2 317 149	1 609 263	228 963	-	-	1 838 225
Emergency Equipment	1 292 209			14 154	1 278 055	838 646	128 955	13 371	-	954 230
Motor Vehicle	7 659 903	1 755 448		352 240	9 063 110	2 807 139	1 551 980	242 060	-	4 117 058
Computer Equipment	4 812 689	433 106		494 033	4 751 762	3 090 871	560 577	445 265	-	3 206 183
	71 741 853	5 505 354	3 683 479	1 190 967	79 739 716	33 929 691	3 775 996	988 122	(3 074 717)	33 642 848
										46 096 868

FRANCES BAARD DISTRICT MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30 JUNE 2015

Reconciliation of Carrying Value

	Cost			Accumulated Depreciation and Impairment Losses				Carrying Value	
	Opening Balance R	Additions R	Disposals R	Closing Balance R	Opening Balance R	Depreciation Charge R	Disposals R	Correction of Error - Disposal	Closing Balance R
Community Assets	1 121 141	81 583	-	1 202 724	503 208	203 629	-	-	706 837
Land & Buildings	106 676	45 000	-	151 676	85 341	7 112	-	-	92 452
Security Measures	1 014 465	36 583		1 051 048	417 867	196 518		-	614 385
Other Assets	69 751 548	1 835 603	1 048 021	70 539 129	30 814 532	3 336 233	927 910	-	33 222 854
Land & Buildings	47 500 088			47 500 086	19 679 077	509 357		-	20 188 434
Balance Previously Reported	46 795 656			46 795 654	19 684 377	599 625		-	20 284 001
Classification correction	(95 568)			(95 568)	(5 300)	(90 267)			(95 568)
Correction of Error - Transferred to Department of Transport - Note 30	800 000			800 000					
Office Equipment	3 338 405	612 801	80 018	3 871 188	2 023 823	430 062	78 178	-	2 375 706
Furniture & Fittings	3 036 775	89 638	20 763	3 105 649	2 047 363	285 514	20 081	-	2 312 795
Plant & Machinery	1 996 576	8 386		2 004 962	1 421 293	193 516	5 546	-	1 609 263
Plant & Machinery - Residual Value	298 000		5 558	292 443	-	-		-	292 443
Emergency Equipment	1 336 057		43 848	1 292 209	700 924	181 589	43 867	-	838 646
Motor Vehicle	5 169 761	425 443	271 613	5 323 592	2 070 664	1 008 007	271 533	-	2 807 139
Motor Vehicle - Residual Value	2 029 861	414 850	108 400	2 336 311	-	-		-	2 336 311
Computer Equipment	5 046 025	284 486	517 822	4 812 689	2 871 388	728 189	508 705	-	3 090 871
	70 872 689	1 917 187	1 048 021	71 741 853	31 317 740	3 539 862	927 910	-	33 929 691
									37 812 162

APPENDIX A - Unaudited
FRANCES BAARD DISTRICT MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2016

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30 JUNE 2014	Redeemed written off during the period	Balance at 30 JUNE 2015
ANNUITY LOANS					
DBSA - Frances Baard Council Chamber & Offices	103363/1	10 Years	8 433 717	1 784 602	6 649 115
TOTAL EXTERNAL LOANS			8 433 717	1 784 602	6 649 115

APPENDIX B - Unaudited
FRANCES BAARD DISTRICT MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2016

	Cost					ACCUMULATED DEPRECIATION							Carrying Value
	Balance at 1 JULY 2015	Additions	Revaluation Movements / Impairments	Disposals	Balance at 30 JUNE 2016	Balance at 1 JULY 2015	Additions	Impairment	Impairment Reversal	Disposals	Revaluation Adjustment	Balance at 30 JUNE 2016	
Municipal Governance & Administration	63 480 815	3 855 930	3 710 479	1 196 269	69 850 955	28 510 130	2 805 314			986 961	(1 303 120)	27 281 557	42 569 398
Executive & Council	2 391 634	192 370	-	101 726	2 482 278	1 638 291	215 267			92 966	-	1 760 592	721 686
Mayor & Council	1 784 212	36 880		18 918	1 802 174	1 406 440	129 197			17 024		1 518 612	283 561
Office of the Municipal Manager	607 422	155 490		82 808	680 104	231 852	86 070			75 942		241 980	438 124
Budget & Treasury Office	53 096 308	3 317 459	3 669 772	495 421	59 588 117	22 601 664	1 775 316		1 800 637	373 688	(1 295 274)	20 907 381	38 680 737
Corporate Services	7 992 874	346 101	40 707	599 122	7 780 560	4 270 174	814 732	56 832	-	520 307	(7 846)	4 613 585	3 166 975
Human Resources	190 856	22 423	-	17 204	196 075	142 546	17 097	-		15 510	-	144 133	51 942
Information Technology	5 024 842	216 106	17 467	248 500	5 009 915	2 627 063	604 146	27 792		215 216	(7 846)	3 035 939	1 973 976
Other Admin	2 777 176	107 571	23 240	333 418	2 574 570	1 500 565	193 489	29 040		289 581	-	1 433 513	1 141 057
Community Services & Public Safety													
Community & Social Services	4 770 590	1 605 818	-	18 720	6 357 688	2 296 836	599 963	-	-	15 578	-	2 881 221	3 476 467
Community Services	22 721	-	-	-	22 721	151	4 670	-	-	-	-	4 821	17 900
Public Safety - Civil Defense	4 417 252	1 605 818	-	18 215	6 004 855	2 128 599	550 508	-	-	15 124	-	2 663 984	3 340 871
Housing	330 617			505	330 112	168 085	44 785			454		212 416	117 696
Economic & Environmental Services	5 553 061	120 257	(27 000)	35 549	5 610 770	3 561 558	555 692			31 543	-	4 085 707	1 525 060
Planning & Development	5 553 061	120 257	(27 000)	35 549	5 610 770	3 561 558	555 692			31 543		4 085 707	1 525 060
Environmental Protection												()	0
TOTAL PER STANDARD CLASSIFICATION	73 804 467	5 582 005	3 683 479	1 250 537	81 819 413	34 368 524	3 960 969			1 034 082	(1 303 120)	34 248 485	47 570 925

APPENDIX C - Unaudited
FRANCES BAARD DISTRICT MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE 2016

Actual Income 2015 R	Actual Expenditure 2015 R	Surplus / (Deficit) 2015 R		Actual Income 2016 R	Actual Expenditure 2016 R	Surplus / (Deficit) 2016 R
95 955 859	(52 831 966)	43 123 893	Municipal Governance & Administration	100 801 167	(58 339 307)	42 461 860
4 732 610	(18 484 851)	(13 752 241)	Executive & Council	387 794	(22 314 198)	(21 926 405)
4 732 610	(8 485 808)	(3 753 198)	Mayor & Council	-	(8 690 800)	(8 690 800)
-	(9 999 043)	(9 999 043)	Office of the Municipal Manager	387 794	(13 623 399)	(13 235 605)
91 223 249	(19 992 325)	71 230 924	Budget & Treasury Office	100 413 373	(20 664 284)	79 749 090
-	(14 354 790)	(14 354 790)	Corporate Services	-	(15 360 825)	(15 360 825)
-	(3 358 689)	(3 358 689)	Human Resources	-	(3 999 057)	(3 999 057)
-	(4 117 530)	(4 117 530)	Information Technology	-	(3 492 503)	(3 492 503)
-	(6 878 571)	(6 878 571)	Other Admin	-	(7 869 265)	(7 869 265)
1 695 000	(9 111 530)	(7 416 530)	Community Services & Public Safety	3 650 051	(11 920 822)	(8 270 772)
315 000	(4 295 019)	(3 980 019)	Community & Social Services	350 000	(5 139 509)	(4 789 509)
315 000	(4 295 019)	(3 980 019)	Public Safety - Civil Defense	350 000	(5 139 509)	(4 789 509)
1 380 000	(4 816 511)	(3 436 511)	Housing	3 300 051	(6 781 314)	(3 481 263)
12 750 660	(50 925 401)	(38 174 741)	Economic & Environmental Services	16 606 880	(67 294 858)	(50 687 978)
9 750 660	(48 578 567)	(38 827 907)	Planning & Development	16 606 880	(64 806 546)	(48 199 666)
3 000 000	(2 346 833)	653 167	Environmental Protection	-	(2 488 311)	(2 488 311)
110 401 519	(112 868 896)	(2 467 377)	SUB TOTAL	121 058 098	(137 554 987)	(16 496 889)
110 401 519	(112 868 896)	(2 467 377)	TOTAL	121 058 098	(137 554 987)	(16 496 889)

APPENDIX D - Unaudited
FRANCES BAARD DISTRICT MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 JUNE 2015	Correction of error	Balance 1 JULY 2015	Grants Received	Write Offs/ Transfers	Expenditure during the year Transferred to Revenue	Balance 30 JUNE 2016	Unspent 30 JUNE 2016 (Creditor)	Unpaid 30 JUNE 2016 (Debtor)
UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS	R	R	R	R		R	R	R	R
Equitable Share	-	-	-	98 936 000	-	98 936 000	-	-	-
Financial Management Grant	-	-	-	1 250 000	-	1 250 000	-	-	-
Municipal Systems Improvement Grant	259 885	-	259 885	940 000	259 885	893 937	46 063	46 063	-
DWA - Sanitation (Mvula Trust)	-	-	-	-	-	-	-	-	-
NC Tourism - Contribution Tourism Month	-	-	-	-	-	-	-	-	-
Department of Public Works: Expanded Public Works Program In	-	-	-	-	-	-	-	-	-
District Aids Council	550 390	-	550 390	-	-	387 794	162 596	162 596	-
NEAR Control Centre	-	-	-	350 000	-	350 000	-	-	-
NCPA - Housing Accreditation Grant	-	-	-	1 050 000	-	1 050 000	-	-	-
NCPA Firefighting Equipment	315 000	-	315 000	350 000	-	-	665 000	665 000	-
NCPA - Eradication of Bucket System	-	-	-	-	-	-	-	-	-
MIG - Projects	-	-	-	-	-	-	-	-	-
SETA - Skills Grant	-	-	-	90 198	-	90 198	-	-	-
NCPA: Vuna Awards	-	-	-	-	-	-	-	-	-
DWA: Backlogs in Water & Sanitation at Clinics and Schools	-	-	-	-	-	-	-	-	-
NCPA: EPWP	-	-	-	1 000 000	-	1 000 000	-	-	-
NCPA: Environmental Health Recycling Project	52 283	-	52 283	-	-	52 283	-	-	-
NCPA - Tourism Grant	-	-	-	200 000	-	-	200 000	200 000	-
NCPA: Operation Kgotso Pula Nala	-	-	-	4 000 000	-	2 000 001	1 999 999	1 999 999	-
Rural Roads Asset Management System	-	-	-	2 153 000	-	2 153 000	-	-	-
NCPA Housing Project	-	-	-	2 250 051	-	2 250 051	-	-	-
ABSA	-	-	-	-	-	-	-	-	-
Total	1 177 558	-	1 177 558	112 569 249	259 885	110 413 263	3 073 659	3 073 659	-

FRANCES BAARD DISTRICT MUNICIPALITY

APPENDIX E

APPROPRIATION STATEMENT FOR THE YEAR ENDED ON 30 June 2016

BUDGET SUMMARY

2015/16								2014/15			
Original Budget	Budget Adjustments	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
5 443	400 000	5 843 350	7 866 135	-	2 022 785	134.6%	144.5%				6 882 359
106 509	6 425 646	112 934 646	110 413 264	-	(2 521 382)	97.8%	103.7%				102 394 822
5 185	500 000	5 684 800	2 778 699	-	(2 906 101)	48.9%	53.6%				1 124 338
117 137	7 325 646	124 462 796	121 058 098	-	(3 404 698)	97.3%	103.3%				110 401 519
57 549 150	-	57 549 150	52 743 677	-	(4 805 473)	91.6%	91.6%	26 740	-	26 740	47 112 666
6 336 840	-	6 336 840	5 987 653	-	(349 187)	94.5%	94.5%	-	-	-	5 690 954
3 000	-	3 000	-	-	(3 000)	-	-	-	-	-	-
5 615 000	-	5 615 000	3 960 969	-	(1 654 031)	70.5%	70.5%	-	-	-	3 769 090
3 054 000	-	3 054 000	2 397 250	-	(656 750)	78.5%	78.5%	2 760	-	2 760	2 380 770
3 955 716	738 970	4 694 686	3 520 611	-	(1 174 075)	75.0%	89.0%	-	-	-	3 254 275
56 991 970	9 328 936	66 320 906	54 621 447	-	(11 699 459)	82.4%	95.8%	-	-	-	37 275 977
21 596 232	(479 830)	21 116 402	14 323 380	6 455	(6 793 022)	67.8%	66.3%	27 094	-	27 094	13 385 164
155 101 908	9 588 076	164 689 984	137 554 987	6 455	(27 134 997)	83.5%	88.7%	56 594	-	56 594	112 868 896
(37 964 758)	(2 262 430)	(40 227 188)	(16 496 889)	(6 455)	23 730 299	41.0%	43.5%				(2 467 377)
-	-	-	-	-	-	-	-				-
-	-	-	-	-	-	-	-				-
(37 964 758)	(2 262 430)	(40 227 188)	(16 496 889)	(6 455)	23 730 299	41.0%	43.5%				(2 467 377)
-	-	-	-	-	-	-	-				-
(37 964 758)	(2 262 430)	(40 227 188)	(16 496 889)	(6 455)	23 730 299	41.0%	43.5%				(2 467 377)
13 555 691	(1 877 094)	11 678 597	5 582 005	-	(6 096 592)	47.8%	41.2%				2 124 642
13 555 691	(1 877 094)	11 678 597	5 582 005	-	(6 096 592)	47.8%	41.2%				2 124 642
(21 732 645)	36 960	(21 695 685)	(11 669 670)		(466 846)	53.8%	-				4 082 377
(4 178 984)	(144 180)	(4 323 164)	(4 782 288)		(137 069)	110.6%	-				(2 927 209)
(1 111 453)	-	(1 111 453)	(1 784 602)		(190 633)	160.6%	-				(1 606 934)
66 992 929	6 599 517	60 352 272	69 275 054		(139 145)	114.8%	-				87 482 577

-115 336 272

FRANCES BAARD DISTRICT MUNICIPALITY

APPENDIX E

APPROPRIATION STATEMENT FOR THE YEAR ENDED ON 30 June 2016

FINANCIAL PERFORMANCE BY STANDARD CLASSIFICATION

2015/16								2014/15			
Original Budget	Budget Adjustments	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
100 012 150	900 000	100 912 150	100 801 334	-	(110 816)	99.9%	100.8%				95 955 859
-	500 000	500 000	387 794		(112 206)	77.6%	#DIV/0!				4 732 610
100 012 150	400 000	100 412 150	100 413 540		1 390	100.0%	100.4%				91 223 249
2 030 000	2 425 646	4 455 646	3 650 051	-	(805 595)	81.9%	179.8%				1 695 000
630 000	70 000	700 000	350 000		(350 000)	50.0%	55.6%				315 000
1 400 000	2 355 646	3 755 646	3 300 051		(455 595)	87.9%	235.7%				1 380 000
15 095 000	4 000 000	19 095 000	16 606 880	-	(2 488 120)	87.0%	110.0%				12 750 660
15 095 000	4 000 000	19 095 000	16 606 880		(2 488 120)	87.0%	110.0%				9 750 660
117 137 150	7 325 646	124 462 796	121 058 265		(3 404 531)	97.3%	103.3%				110 401 519
67 262 610	2 304 035	69 566 645	58 207 809	6 455	(11 358 836)	83.7%	86.5%	56 594	-	56 594	52 831 966
26 015 800	643 430	26 659 230	22 314 198	-	(4 345 032)	83.7%	85.8%	2 827		2 827	18 484 851
23 864 378	116 845	23 981 223	20 532 786	6 455	(3 448 437)	85.6%	86.0%	29 500		29 500	19 992 325
17 382 432	1 543 760	18 926 192	15 360 825	-	(3 565 367)	81.2%	88.4%	24 268		24 268	14 354 790
13 350 964	1 870 076	15 221 040	11 920 822	-	(3 300 217)	78.3%	89.3%	-	-	-	9 111 530
6 832 964	(328 560)	6 504 404	5 139 509	-	(1 364 895)	79.0%	75.2%			-	4 295 019
6 518 000	2 198 636	8 716 636	6 781 314	-	(1 935 322)	77.8%	104.0%			-	4 816 511
69 635 134	5 501 345	75 136 479	63 926 410	-	(11 210 069)	85.1%	91.8%	-	-	-	50 925 401
66 968 514	5 297 545	72 266 059	61 438 098	-	(10 827 961)	85.0%	91.7%			-	48 578 567
2 666 620	203 800	2 870 420	2 488 311	-	(382 109)	86.7%	93.3%			-	2 346 833
4 853 200	(87 380)	4 765 820	3 368 448	-	(1 397 372)	70.7%	69.4%			-	
155 101 908	9 588 076	164 690	137 423 489	6 455	(27 266 494)	83.4%	88.6%	56 594	-	56 594	112 868 896
(37 964 758)	(2 262 430)	(40 227 188)	(16 365 224)	(6 455)	23 861 964	40.7%	43.1%	(56 594)	-	(56 594)	(2 467 377)

1000/00/3/01/9002
2010/00/3/01/9002 2010/00/2/75/9

2020/40/3/01/9002
5010/10/3/01/9002

2500/00/3/01/9002

1000/00/3/01/9001
2010/00/3/01/9001 2010/00/2/75/9
2020/00/3/01/9001

2020/40/3/01/9001
5010/10/3/01/9001

2500/00/3/01/9001
2020/30/3/02/9995
2510/40/3/01/9001

FRANCES BAARD DISTRICT MUNICIPALITY

APPENDIX E

APPROPRIATION STATEMENT FOR THE YEAR ENDED ON 30 June 2016

BUDGETED FINANCIAL PERFORMANCE BY MUNICIPAL VOTE

2015/16								2014/15			
Original Budget	Budget Adjust-ments	Final adjust-ments budget	Actual Outcome	Unau-thorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unau-thorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
-	500 000	500 000	387 794	-	(112 206)	77.6%	#DIV/0!				4 732 610
100 012 150	400 000	100 412 150	100 413 540	-	1 390	100.0%	100.4%				91 222 789
630 000	70 000	700 000	350 000	-	(350 000)	50.0%	55.6%				3 315 000
940 000	-	940 000	893 937	-	(46 063)	95.1%	95.1%				889 115
15 555 000	6 355 646	21 910 646	19 012 994	-	(2 897 652)	86.8%	122.2%				10 242 005
					-	-	-				
117 137	7 325 646	124 462 796	121 058 265	-	(3 404 531)	97.3%	103.3%				110 401 519
26 015 800	643 430	26 659 230	22 314 198	-	(4 345 032)	83.7%	85.8%	2 827	-	2 827	18 474 155
23 864 378	116 845	23 981 223	20 789 756	6 455	(3 191 467)	86.7%	87.1%	29 500	-	29 500	19 952 276
26 882 016	1 419 000	28 301 016	22 988 645	-	(5 312 371)	81.2%	85.5%	24 268	-	24 268	21 046 928
22 205 319	(31 060)	22 174 259	18 345 798	-	(3 828 461)	82.7%	82.6%			-	14 674 995
56 134 395	7 439 861	63 574 256	53 242 062	-	(10 332 194)	83.7%	94.8%			-	38 720 543
										-	
155 101 908	9 588 076	164 689 984	137 680 460	6 455	(27 009 524)	83.6%	88.8%	56 594	-	56 594	112 868 897
(37 964 758)	(2 262 430)	(40 227 188)	(16 622 195)	(6 455)	23 604 993	41.3%	43.8%				-2 467 378

1000/00/3/01/9002
2010/00/3/01/9002
2020/00/3/01/9002
2510/00/3/01/9002
3000/00/3/01/9002

2010/00/2/75

5010/00/3/01/9

1000/00/3/01/9001
2010/00/3/01/9001
2020/00/3/01/9001
2510/00/3/01/9001
3000/00/3/01/9001

2010/00/2/75

5010/00/3/01/9

FRANCES BAARD DISTRICT MUNICIPALITY

APPENDIX E

APPROPRIATION STATEMENT FOR THE YEAR ENDED ON 30 June 2016

BUDGETED FINANCIAL PERFORMANCE

2015/16								2014/15			
Original Budget	Budget Adjust-ments	Final adjust-ments budget	Actual Outcome	Unau-thorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unau-thorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
1 072 000	-	1 072 000	643 770	-	(428 230)	60.1%	60.1%				971 687
5 443 350	400 000	5 843 350	7 866 135	-	2 022 785	134.6%	144.5%				6 882 359
106 509 000	6 425 646	112 934 646	110 413 264	-	(2 521 382)	97.8%	103.7%				102 394 822
4 052 800	500 000	4 552 800	2 134 929	-	(2 417 871)	46.9%	52.7%				152 651
60 000	-	60 000	-	-	(60 000)	-	-				
117 137 150	7 325 646	124 462 796	121 058 098	-	(3 404 698)	97.3%	103.3%				110 401 519
57 549 150	-	57 549 150	52 743 677	-	(4 805 473)	91.6%	91.6%	26 740	-	26 740	47 112 666
6 336 840	-	6 336 840	5 987 653	-	(349 187)	94.5%	94.5%	-	-	-	5 690 954
3 000	-	3 000	-	-	(3 000)	-	-	-	-	-	-
5 615 000	-	5 615 000	3 960 969	-	(1 654 031)	70.5%	70.5%	-	-	-	3 769 090
3 054 000	-	3 054 000	2 397 250	-	(656 750)	78.5%	78.5%	2 760	-	2 760	2 380 770
3 955 716	738 970	4 694 686	3 520 611	-	(1 174 075)	75.0%	89.0%	-	-	-	3 254 275
56 991 970	9 328 936	66 320 906	54 621 447	-	(11 699 459)	82.4%	95.8%	-	-	-	37 275 977
21 386 232	(479 830)	20 906 402	14 106 924	-	(6 799 478)	67.5%	66.0%	-	-	-	13 274 658
210 000	-	210 000	216 455	6 455	6 455	103.1%	103.1%	27 094	-	27 094	110 505
155 101 908	9 588 076	164 689 984	137 554 987	6 455	(27 134 997)	83.5%	88.7%	56 594	-	-56 594	112 868 896
(37 964 758)	(2 262 430)	(40 227 188)	(16 496 889)	(6 455)	23 730 299	41.0%	43.5%				(2 467 377)
-	-	-	-	-	-	-	-				-
-	-	-	-	-	-	-	-				-
-	-	-	-	-	-	-	-				-
(37 964 758)	(2 262 430)	(40 227 188)	(16 496 889)	(6 455)	-	-	-				(2 467 377)
-	-	-	-	-	-	-	-				-
(37 964 758)	(2 262 430)	(40 227 188)	(16 496 889)	(6 455)	-	-	-				(2 467 377)
-	-	-	-	-	-	-	-				-
(37 964 758)	(2 262 430)	(40 227 188)	(16 496 889)	(6 455)	-	-	-				(2 467 377)
-	-	-	-	-	-	-	-				-
(37 964 758)	(2 262 430)	(40 227 188)	(16 496 889)	(6 455)	-	-	-				(2 467 377)

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FRANCES BAARD DISTRICT MUNICIPALITY

APPENDIX E

APPROPRIATION STATEMENT FOR THE YEAR ENDED ON 30 June 2016

BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING

2015/16								2014/15			
Original Budget	Budget Adjust-ments	Final adjust-ments budget	Actual Outcome	Unau-thorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unau-thorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome

FRANCES BAIRD DISTRICT MUNICIPALITY

APPENDIX E

APPROPRIATION STATEMENT FOR THE YEAR ENDED ON 30 June 2016

Description	2016/15							2015/14	
	Original Budget	Budget Adjustments (i.e. a25)	Final Outcome	Actual Outcome	Variance	Actual Outcome as % of Final	Actual Outcome as % of Original	Revised Audited Outcome	
CASH FLOW FROM OPERATING ACTIVITIES									
<i>Receipts</i>									
Surrender and other	5 124 000	-	5 124 000	2 291 944	(2 832 056)	44.7%	44.7%	26 189	
Government - operating	105 000 000	70 000	105 070 000	112 599 439	5 529 439	107.2%	107.2%	103 480 269	
Interest	5 442 200	-	5 442 200	7 886 739	2 444 539	144.9%	144.9%	6 862 269	
<i>Payments</i>									
Salaries and employees	(83 177 413)	(33 040)	(83 210 453)	(79 895 440)	4 315 013	94.9%	94.9%	(87 615 918)	
Finance charges	(1 054 000)	-	(1 054 000)	(884 112)	169 888	83.9%	83.9%	(1 002 381)	
Supplies and Grants	(24 473 360)	-	(24 473 360)	(24 621 447)	(148 087)	100.1%	100.1%	(27 475 977)	
NET CASH FROM/USED IN OPERATING ACTIVITIES	(21 732 445)	36 959	(21 695 486)	(11 699 879)	10 005 607	53.5%	53.7%	4 682 377	
CASH FLOWS FROM INVESTING ACTIVITIES									
<i>Receipts</i>									
Proceeds on disposal of PPE	60 000	-	60 000	(80 000)	-	-	-	9 600	
Dividends (Interest) in non-current debtors	-	-	-	1 099 717	1 099 717	0.0%	0.0%	37 600	
<i>Payments</i>									
Purchase (Increase) in non-current investments	5 290 000	-	5 290 000	(300 000)	(5 590 000)	-5.7%	-5.7%	(500 000)	
NET CASH FROM/USED IN INVESTING ACTIVITIES	(5 230 000)	(144 100)	(5 374 100)	(5 390 283)	4 051 117	-57.9%	-58.0%	(7 124 540)	
CASH FLOWS FROM FINANCING ACTIVITIES									
<i>Receipts</i>									
Borrowings	(1 111 453)	-	(1 111 453)	(1 754 802)	(643 349)	-160.5%	-160.5%	(1 636 200)	
NET CASH FROM/USED IN FINANCING ACTIVITIES	(1 111 453)	-	(1 111 453)	(1 754 802)	(643 349)	-160.5%	-160.5%	(1 636 200)	
NET INCREASE/ (DECREASE) IN CASH HELD	(27 863 892)	(107 200)	(27 971 092)	(19 235 960)	8 735 132	-68.8%	-68.8%	(651 700)	
<i>Additional expenditure at the year end</i>	56 000 000	4 533 427	60 533 427	67 452 277	6 918 850	112.3%	112.3%	67 452 277	
<i>Additional expenditure at the year end</i>	28 000 000	5 559 517	33 559 517	33 275 104	284 413	114.6%	114.6%	33 275 104	